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# **New Condos in Old Spaces Fulfill a Long-Held Dream**

**By ELIZABETH ABBOTT**

Providence, R.I.

IN 1964, manufacturers were leaving the downtown here in droves, including Brown & Sharpe, a precision toolmaker that once employed 11,000 people in Rhode Island.

Like many other companies at the time, Brown & Sharpe relocated to the state's more spacious suburbs, leaving behind 26 dusty acres in central Providence dotted with more than a dozen industrial buildings. The property was just a stone's throw from Providence's mercantile center along the Woonasquatucket River, but with the city's economic future in limbo, prospects for developing it looked bleak.

All along the river back then, empty factories and mills began to loom as Providence's textiles and machine industries moved away. These included a 13-building complex that housed the National & Providence Worsted Mills, and 26 buildings where U.S. Rubber, American Locomotive Works and the Nicholson File Company operated.

One developer who saw beyond the desolation was Antonio Guerra.

Mr. Guerra, now 79, saw something in the Brown & Sharpe acreage others did not see. Years before Providence began seeing the investment that would lead to its current renaissance, he envisioned a mix of commercial and residential space in the solid, stone structures of the Brown & Sharpe plant, a dream he fully realized this year with the opening of a \$50 million apartment complex in four converted factory buildings.

Mr. Guerra and three partners bought Brown & Sharpe for \$3.2 million in 1964, after cobbling together a financing package that included state redevelopment monies, a loan from Industrial National Bank and a loan from Brown & Sharpe.

“It was a tough, tough loan to make,” recalled Terry Murray, the retired chairman of Fleet Financial Group, who was with Industrial National Bank at the time.

With the help of his son, Tom Guerra, one of his nine children, Mr. Guerra immediately began leasing space at the Brown & Sharpe site, accepting rents as low as 35 cents a square foot. He redeveloped his first building in 1987 and, since then, has added eight more office buildings and the residential complex.

Called the Promenade at the Foundry, the complex has 220 units with exposed brick walls, 12- to 18-foot ceilings, and other features that recall the original use of the buildings. The property’s industrial past is memorialized in the restoration and display of some of Brown & Sharpe’s machinery in common areas and in enlarged historic photographs that decorate the walls.

In what once was a workers’ cafeteria, there is now a 75-foot pool with a retractable roof. Wooden stable doors, where horses used to pull up with wagonloads of materials and supplies, are painted a fresh green.

“You had to see what we started with,” said Tony Thomas, Mr. Guerra’s son-in-law and another partner in the project. He noted that most of the windows were broken or missing.

Rents at the Promenade range from \$1,150 for studio lofts to \$3,500 for a two-bedroom with a study. About 90 percent of the units are rented, according to Mr. Thomas, despite a surge in the number of new apartments, condos and lofts that have been coming to market. The mix of tenants includes a number of so-called reverse commuters — people who live in Providence, but work in Boston, he said.

Promenade tenants have free parking in their own garage — a luxury for anyone who lives downtown — and the development is in walking distance to the Providence Place Mall, Water Place Park and other new attractions that have been built during the city’s resurgence, Mr. Thomas said.

In addition to the residential units at the Promenade, the eight buildings on the Brown & Sharpe site — now called the Foundry Corporate Office Center — make up more than a 500,000 square feet of office space, which is fully occupied with approximately 80 tenants.

Mr. Guerra said his vision when he bought the property was to create “a city within a city,” and while this city really didn’t start to materialize until about 10 years ago, Mr. Guerra said he is satisfied with the outcome.

“I accomplished what I wanted to accomplish,” he said.

That’s not to say it was easy. At one point, Mr. Guerra had to spend his retirement savings and mortgage homes in [Florida](#) and Providence so he wouldn’t lose the complex, Mr. Thomas said.

Now, of course, it’s a different story in Providence. All around the city, old mill buildings and factories are being renovated into the sort of commercial and residential space Mr. Guerra had envisioned. A state historic tax credit that became available four and a half years ago, coupled with the federal historic tax credit, are driving these projects, developers say.

The Promenade at the Foundry project received state and federal tax credits worth a total of \$17 million to the developers, according to Mr. Thomas. The project would have been financially impossible without the credits, he said.

Since the credit came on line in January 2002, the Rhode Island Historical Preservation and Heritage Commission has approved more than 200 projects, representing more than \$1 billion of private investment in Rhode Island, according to Edward F. Sanderson, the commission’s executive director. These projects are creating housing units by the score — 1,616 have been completed throughout the state, with another 2,300 under construction, he said.

Much of this new development is taking place in Woonasquatucket River valley, where two of Providence’s poorer neighborhoods, Olneyville and Valley Street, are located. The projects include Rising Sun Mills, a \$55 million renovation of National & Providence Worsted Mills, and American Locomotive Works, a \$333 million project planned for 22.5 acres, where U.S. Rubber, American Locomotive Works and the old Nicholson File company used to operate.

The developer Struever Brothers, Eccles & Rouse of Baltimore teamed up with the Armory Revival Company of Providence on Rising Sun Mills. Struever Brothers is also behind the American Locomotive Works project, which recently won master plan approval from the planning commission.

The benefits of saving these old buildings and putting them to new use are enormous, said Bill Struever, the company’s founder. Not only do they generate tax income and create housing, but, for many people, the old mills represent their community’s soul.

But there is a down side. Providence's artists, who have long used the mills for cheap studio space, have joined with residents from Olneyville and Valley Street to complain about displacement. They are also concerned that the developments will gentrify their neighborhoods and make them unaffordable.

Mr. Struever said it is not his intention to make Providence too expensive for its residents. For a city to be healthy, it must have affordable "work force" housing for families, artists and small businesses, he said.

Struever Brothers plans to work with the city and the Rhode Island Housing Mortgage and Finance Corporation, the state's housing agency, to see that the concerns of residents are addressed. And at the request of the agency, the developer will price 20 percent of housing units at the American Locomotive Works project moderately, but Mr. Struever said that might not be enough.

"We love to a part of the dialogue on affordable, mixed-income housing," he said.

<http://www.nytimes.com/2006/07/23/realestate/23nati.html?>